



COMMUNITY DEVELOPMENT COMMISSION

County of Los Angeles

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • www.lacdc.org

Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson

Executive Director

November 4, 2003

Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

EMPLOYEE MEDICAL PLAN CHANGES (ALL DISTRICTS) **(3 Vote)**

IT IS RECOMMENDED THAT THE BOARD OF COMMISSIONERS OF THE COMMUNITY DEVELOPMENT COMMISSION:

1. Approve and authorize the Executive Director to fund, with the Housing Authority of the County of Los Angeles, the difference between Commission employee contributions and the actual cost of group insurance programs with Kaiser Health Plan (Kaiser), Blue Shield Health Maintenance Organization (HMO) and Blue Shield Point-of-Service (POS), at an additional estimated cost of \$79,921, using funds included in the approved Fiscal Year 2003-2004 budget and funds to be approved through the Fiscal Year 2004-2005 budget process for the Commission and Housing Authority.
2. Authorize the Executive Director to execute contracts and contract amendments with the medical plan providers, for the purpose described above, following review by County Counsel.

IT IS RECOMMENDED THAT THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY:

1. Approve and authorize the Executive Director to fund, with the Community Development Commission of the County of Los Angeles, the difference between Commission employee contributions and the actual cost of group insurance programs with Kaiser Health Plan (Kaiser), Blue Shield Health Maintenance Organization (HMO) and Blue Shield Point-of-Service (POS), at an additional estimated cost of \$79,921, using funds included in the approved Fiscal Year 2003-2004 budget and funds to be approved through the Fiscal Year 2004-2005 budget process for the Housing Authority and Commission.
2. Authorize the Executive Director to take any and all actions for the purpose described above.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

On October 8, 2002, your Board approved a medical plan subsidy for Commission employees. Consistent with this approval, the Commission is recommending that your Board approve the proposed affordable medical insurance coverage for Commission employees for the 2004 calendar year which is comparable with the plans offered to County employees. The current plans end on December 31, 2003.

FISCAL IMPACT/FINANCING:

The increase in the medical insurance subsidy cost is estimated at \$79,921 for January 1, 2004 through December 31, 2004.

The current Fiscal Year 2003-2004 budgets of the Commission and Housing Authority will support the proposed costs for the period January through June 2004. The Fiscal Year 2004-2005 budgets of the Commission and Housing Authority to be presented to your Board will include funding for the remaining costs.

Housing Authority funds will be used to pay a portion of the medical benefits for Commission employees that perform Housing Authority functions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The Commission currently offers its employees medical plan options through Kaiser, Blue Shield HMO, and Blue Shield POS programs. The same medical plan types and carriers will be retained in 2004. Commencing January 1, 2004,

Honorable Board of Commissioners

November 4, 2003

Page 3

the office visit co-payment will increase from \$10.00 to \$20.00 for each of these plan types. This change applies to employees of the Commission only. Employees of the Housing Authority are covered under a separate benefits program, therefore, their coverage will remain unchanged.

The Commission provides benefit choices for employees to purchase medical, dental, vision, and life insurance coverage by utilizing an employer contribution to the benefit plans. Each employee's monthly contribution will increase by five percent on January 1, 2004, which will contribute significantly to the funding of these plans. The Monthly Employee Contribution for 2004 for each plan type is attached.

The Chief Administrative Officer has reviewed the proposed benefit changes. County Counsel has reviewed this letter.

IMPACT ON CURRENT PROGRAM:

The recommended actions are consistent with the principle of promoting the well being of Commission employees and their families by continuing to offer comprehensive medical benefits.

Respectfully submitted,

CARLOS JACKSON
Executive Director

Attachment: 1

Attachment A

Monthly Employee Contribution for 2004 Medical Coverage*

Kaiser HMO

Employee Only	\$195.92
Employee + One	\$366.57
Family	\$440.82

Blue Shield HMO

Employee Only	\$180.82
Employee + One	\$364.42
Family	\$508.07

Blue Shield Point-of-Service (POS)

Employee Only	\$293.01
Employee + One	\$605.29
Family	\$825.94

*Monthly employee contribution is the employee cost after the subsidy is applied to the actual plan cost.